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Chairman: Mr. KITTIKHOUN (Lao People's Democratic
Republic)

CONTENTS

AGENDA ITEM 84: UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES
IN THE NEAR EAST

AGENDA ITEM 90: IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF
INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES BY THE SPECIALIZED AGENCIES AND
THE INTERNATIONAL INSTITUTIONS ASSOCIATED WITH THE UNITED NATIONS (continued)

AGENDA ITEM 19: IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF
INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES (continued)

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The meeting was called to order at 10.05 a.m.

AGENDA ITEM 84: UNITED NATIONS RELIEF AND WORKS AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST (A/51/13, 369, 370, 371, 439, 476, 495 and 509, and A/50/915-S/1996/235)

1. Mr. HANSEN (Commissioner General, United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)), introducing the report of UNRWA (A/51/13), said that the Agency was perhaps the only organization which had provided, over such a long period of time, support to Palestine refugees in all the five areas of its operations. UNRWA, which employed for the most part Palestine refugees, had established a system of education, health care and social services covering all Palestine refugees. Thanks to those services, it had been possible to achieve the highest literacy indicators in the region and the success rate of pupils in UNRWA schools, as a rule, was better than that of pupils attending the academic institutions of national education systems. With regard to services in the area of health, it had been possible to achieve the lowest rate of infantile mortality in the Arab world. However, all that did not mean that UNRWA was providing the refugees with conditions for a peaceful and carefree life. Although the Agency, with its modest means, was trying to satisfy the most basic needs, the situation of the refugees was very difficult and they deserved the assistance which the international community could provide to them. The refugees in Lebanon were in a particularly difficult situation, owing not only to the lack of proper conditions, but also the psychological pressure and sense of hopelessness which they felt. At the current stage in the peace process, the residents of the Gaza Strip and the West Bank were also in a difficult situation and, in spite of the fact that UNRWA was trying to maintain the current level of the services provided to them, the Agency was encountering very serious difficulties in that process. Any reduction in the level of services provided prompted the refugees to begin to fear that the international community had halted the support that it had been providing for more than 45 years.

2. Significant changes had occurred in the Agency's activities during the period covered by the report. Its headquarters had been moved from Vienna to the Gaza Strip and the move had been accompanied by considerable difficulties, which, however, had been overcome. At the same time, not all the member States that had been interested in the move and had advocated financing it on the basis of voluntary contributions had provided the necessary means to carry it out. The deficit in funds for financing that process amounted to considerably more than \$3 million. It was to be hoped that the Member States that had taken the decision on financing the move of the Agency's headquarters on the basis of extrabudgetary resources would make the necessary contributions.

3. In connection with the move of its headquarters to the Gaza Strip, the Agency had begun restructuring in the organizational and management areas. At the current time, that process was fully under way and information about some of the results achieved would, in all probability, be submitted to the participants at the conference of donor and host countries which would take place in several weeks in Oman.

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4. The period covered by the report had also been characterized by a sharp change in the political climate. Although the holding of elections to the Palestinian Council in January 1996 had given rise to optimism and hope for the future, after the events that had occurred in February and March resulting in the death of many completely innocent persons, the political situation had substantially worsened. The closing of the territories had been introduced, which had caused a number of serious difficulties. In September, the situation had once again become acute as a result of clashes in the Gaza Strip and West Bank. It should be noted that those events and the closing of the territories had an extremely negative impact on the situation of the Palestine refugees. In the past four years, the per-capita income indicators for the population in the Gaza Strip and the West Bank had dropped by 40 per cent. The level of unemployment and underemployment in the Gaza Strip was 60 per cent. In such unfavourable circumstances, it was extremely difficult to meet the needs of the Palestinian population. Furthermore, the Agency, like the population in the occupied territories, had been confronted with the problem of restrictions on freedom of movement. In that connection, it should be pointed out that those difficulties were reducing the effectiveness of the activities being carried out. The corresponding information had been brought to the attention of the Israeli authorities, who had demonstrated a thorough understanding of the situation and it was hoped that they would make a maximum effort to help the Agency solve that problem. Although the situation with regard to freedom of movement had improved somewhat, for the time being one could not say with assurance that Israel was fully complying with its obligations under Article 105 of the Charter of the United Nations.

5. The funds with which the Agency was trying to mitigate the difficult economic situation were very limited. Nevertheless, it had been possible to set up job-creation programmes, which provided employment to some Palestinians who were part of the large army of unemployed persons. That problem, however, could not be solved at the expense of humanitarian support and assistance. The only way to solve it was a political process and, ultimately, the lifting of the regime for closing the territories, which, to a certain extent, would help normalize the situation in the region.

6. UNRWA programmes were being carried out not only in the Gaza Strip, the West Bank and the occupied territories. Most of the operations were being conducted in Jordan, Lebanon and the Syrian Arab Republic since the largest number of refugees lived in those three areas. In addition, more than half of all the Agency's budgetary allocations were set aside for those regions. At the same time, it was very difficult for UNRWA to maintain the proper level of services. UNRWA was not a philanthropic organization which distributed assistance provided by donors. Its task was to organize disbursed groups of refugees. It was first of all necessary to determine the proper level of services to be provided to 3.2 million registered refugees and then calculate expenditures for the corresponding activities. In spite of the fact that in recent years the size of the Agency's budget had increased, that growth had not been commensurate with the impact of unfavourable trends. For example, the indicators for population growth as a result of the very high birth rates in the region and also the return of the residents of those territories who wished to work under the leadership of the Palestinian Authority amounted to 5 per cent annually. If those trends continued, UNRWA would have to reduce the scope of

its services. Already, it did not seem possible to continue work with a budget deficit for the fourth year in a row. Several days earlier, the Controller had stated that the Agency's account lacked the funds to pay salaries to UNRWA staff for November. However, thanks to a timely contribution by the European Union, it had been possible to solve that problem. Obviously, harsh economy measures introduced were not a solution to the serious financial problem since they forced the Agency to reduce vitally important expenditures in such areas of operations as the utilization of buildings and motor-vehicle maintenance. Those measures would lead to increased expenditures in the future. As a result of their introduction, the Agency was unable to hire new teachers, and classes in its schools were overcrowded. An educational system should not function on that basis. In September, the Agency had convened a donor conference and it should be noted with satisfaction that the international donor community had heeded the call for funds and provided \$15 million to UNRWA. A second such conference would be held shortly in Oman. According to estimates, the budget deficit in 1997 would amount to approximately \$60 million. That meant that the Agency would have to reduce its programmes, which would have very serious consequences for the refugees.

7. Mr. AASS (Norway), Rapporteur of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, introducing the 1996 report (A/51/509), said that UNRWA was currently experiencing a severe crisis which threatened the very existence of the Agency, which served over 3 million Palestine refugees. Over the years UNRWA had been able to cope with the growing difficulties and successfully carry out the mandate entrusted to it by the international community. However, the current crisis was unprecedented in its magnitude and seriousness. Unless the international community was able to resolve the problem of the structural deficit of the Agency's budget, UNRWA would have to reduce the quantity and quality of its services to refugees. The Working Group believed that the General Assembly could not countenance such a prospect. All the members of the Committee must have been shocked to learn from the special report of the Commissioner-General of UNRWA on the financial crisis of the Agency, annexed to the Note by the Secretary-General (A/51/495), that the Agency might keep going until all available funds were used up, then declare itself insolvent and go out of business.

8. Aware of the seriousness of the situation, the Working Group had convened informally on 18 September 1996 to discuss the financial crisis and to consider ways in which the Group, as a body of the General Assembly, could support the Commissioner-General. During the meeting, members of the Working Group had felt that they were acting on behalf of all the members of the Committee and of the General Assembly as a whole because it was the General Assembly which had given UNRWA its mandate, and to which the Commissioner-General was responsible for the implementation of the Agency's programme. It was incumbent on the General Assembly to be fully aware of the Agency's plight and to try and find a solution to the crisis.

9. The Working Group was alarmed at the depletion of the Agency's working capital, and the possibility that that situation could lead to cuts in the services provided, particularly in the areas of education, health care, relief and social services. In the coming years UNRWA would have to identify and

attract the resources it required to serve a refugee population whose needs were growing by 5 per cent a year through a combination of natural growth, inflation and new registrations. The Working Group strongly urged all Governments to bear in mind those considerations when deciding on the level of their contributions to UNRWA for 1997. It also urged all Governments which had not yet contributed to UNRWA to do so; Governments which had made relatively small contributions to increase their contributions; Governments which had made generous contributions to UNRWA in the past to continue to do so and to increase them; and Governments which had shown special interest in the welfare of the Palestine refugees, particularly wealthy States in the region, to consider the possibility of contributing or of increasing their contributions.

10. The Working Group felt that the General Assembly must now be more actively engaged than in previous years in ensuring that UNRWA was provided with the resources it needed to fulfil the mandate given to it by the international community, particularly in view of the natural growth in the refugee population, worsening socio-economic conditions in the Agency's area of operations, and the potentially destabilizing effect on the political situation of any significant reductions in the Agency's activities.

11. Mr. AL-KIDWA (Observer for Palestine) said that for his delegation, item 84 was one of the most important items on the General Assembly's agenda. In addressing that item, what was at stake was the fate of 3.3 million Palestinian refugees, the biggest and oldest refugee problem in the contemporary world.

12. The Palestinian refugees, like any other refugees, had a natural right to their homes and their property. In the case of the Palestinian refugees, the General Assembly had annually reaffirmed that right, beginning with its resolution 194 (111) of 11 December 1948, paragraph 11 of which affirmed their right to return to their homes or to be paid compensation if they chose not to return. That inalienable, individual right was not diminished with the passage of time, and must not be confused with the right of displaced persons to return to the territory occupied by Israel since 1967, which was affirmed in Security Council resolution 237 (1967) and should be effected during the transitional period of the peace process in accordance with the agreements reached between Israel and Palestine. Furthermore, that right must not be confused with the right of every Palestinian to Palestinian nationality and citizenship.

13. Over the many years since its establishment, UNRWA had played a crucial role in preventing the exacerbation of the human catastrophe and had helped greatly in providing the necessary relief, care and education for at least two generations of Palestinian refugees. A reduction in the Agency's services would most certainly have dangerous repercussions. The difficulties which were facing the peace process at the current stage and the deterioration of the situation on the ground made it a matter of urgency to maintain those services.

14. The Palestinian side had always sought a constructive relationship with UNRWA at all levels. Mutual cooperation had been further enhanced with the transfer of UNRWA headquarters to Gaza City and the signing of the headquarters agreement between the Agency and the Palestinian Authority.

15. Mr. FOWLER (Canada) said that Canada was very concerned about the administrative and budgetary challenges facing UNRWA. His delegation acknowledged that UNRWA had been making efforts to deal with its budgetary problems, including the convening of an extraordinary meeting of donors and host Governments in Amman on 23 September 1996. Canada was pleased with the results of that meeting, at which sufficient funds had been pledged to allow UNRWA to overcome its difficult financial situation at least for 1996 and allow it to continue to provide the valuable services on which many Palestinian refugees relied. At that meeting, the Commissioner-General and donors had highlighted some of the structural problems faced by the Agency which had caused the current budgetary crisis. Canada welcomed the Commissioner-General's efforts to address some of those problems. At the same time the Agency must take into account the findings, conclusions and recommendations contained in the report of the Board of Auditors.

16. As the peace process evolved, there must be sufficient flexibility in the way in which the Agency delivered its services to allow it to adapt to evolving conditions in different fields. Although Canada believed that some changes in the way in which those services were delivered would be inevitable, they must be timed to be supportive of the evolution of the peace process. It was particularly important for the context of those changes to be explained to the refugees. In that connection Canada welcomed the move of UNRWA headquarters from Vienna to the region, and believed that that move would make it possible to achieve significant cost savings and enhance the quality of educational, health and social services. Canada urged those countries which were not yet making contributions commensurate with their interests and resources to increase their support to appropriate levels. It commended the Commissioner-General's efforts to expand the donor base since that would not only provide UNRWA with greater financial stability but also demonstrate to the Palestinian refugees the commitment of the international community to improving their conditions pending a permanent resolution of the refugee question.

17. Canada was aware of the tragic events which were the background to the repeated closures of the occupied territories by the Israeli authorities. Nevertheless it was extremely concerned about the effects of those measures on the economic situation of the Palestinian refugees in the West Bank and Gaza, and on UNRWA resources and programmes. Moreover, the travel restrictions imposed at times of closure of territories made the work and travel of UNRWA officials even more difficult, thereby compounding the difficulties faced by the Agency. In the interests of the peace process Canada, as one of the major contributors to UNRWA, urged Israel to address its security concerns in ways which did not have such severe consequences for the economic situation in the occupied territories and which did not impede the work of UNRWA officials, for whom travel between the West Bank, Gaza and East Jerusalem remained essential. Canada would remain a strong supporter of UNRWA, which had a vital role to play in the solution of the refugee problem, and called on all members of the international community to respond to the Agency's needs.

18. Mr. NIMA (Jordan) said that Jordan, which had provided asylum to about 40 per cent of the refugees registered with UNRWA, was continuing to assist them in the most varied ways and, despite its limited resources, was the second largest donor. Jordan appealed to the international community for assistance

and urged it to help UNRWA in its efforts to improve the quality of the services provided and alleviate the suffering of the people. The transfer of UNRWA headquarters from Vienna to Gaza had helped increase the effectiveness of the Agency's work, and should not be regarded as diminishing the importance of the Agency. The Agency's task was to protect broad strata of refugees from any adverse consequences, and the fulfilment of that task would help the peace process.

19. The increase in the number of refugees should be accompanied by an increase in the volume of assistance, and to that end it was necessary to seek even more sources of funds. The search for ways of solving the refugee problem should be conducted in the context of an overall settlement and in accordance with the norms of international law and General Assembly resolutions. To make it possible for the peace process to yield tangible results on the ground, the region's economy must be developed through the award of contracts to entrepreneurs, the creation of employment, the provision of communal services and so forth. Jordan shared the Commissioner-General's concern about the difficulties faced by the Agency and its personnel in Gaza and on the West Bank as a result of the measures taken by the Israeli authorities and called for an end to those measures since they were having an adverse effect on the socio-economic situation of the refugees.

20. Mr. HIZLAN (Turkey) said that for the past several years, Member States had been continuously informed of the serious financial difficulties of UNRWA, and the ways and means of remedying that situation had been discussed at length at previous sessions. It was obvious from the Commissioner-General's account that no substantial progress had been achieved in that direction. Instead, the deficit of UNRWA continued to increase, and had reached a very critical point which endangered the very existence of the Agency. Turkey believed that the Agency had carefully considered all possibilities for reducing expenditures. His delegation believed that all possible reductions of secondary services had already been made, and that any further programme reductions would inevitably affect the vital services already maintained at the bare minimum.

21. As was well known, the Agency provided three types of services through its general budget: food, health and education. The Member States represented on the Committee were not in a position to decide on reductions in the basic services provided to the Palestinian refugees. History might forgive political failures, but future generations would find it unpardonable if, at a time of increased emphasis on humanitarian efforts, 3.3 million Palestinians, in well-organized refugee camps, were left without proper food, health care and education.

22. Turkey was dismayed by the turn of events in the Middle East and the lack of progress in the peace process. The recent impasse in the Middle East peace process could bring it to a halt, and the momentum would be lost. The ordeal of the Palestinian refugees could be brought to an end only by achieving peace in the region. Turkey supported all initiatives in quest of a settlement based on Security Council resolutions 242 (1967) and 338 (1973).

23. Mr. TAKAHASHI (Japan) said that Japan understood that the past year had been a time of significant transition for UNRWA. Having had its mandate

extended for three years at the fiftieth session of the General Assembly, UNRWA was striving to reform its operations, and in that regard Japan welcomed the transfer of UNRWA headquarters to the area of its operations.

24. In the recognition that world peace and prosperity could not be ensured unless there was peace and stability in the Middle East, Japan actively supported international efforts to advance the peace process. In late August, the Foreign Minister of Japan had visited the region and encouraged the parties to renew their commitment to the peace process and to make further efforts to advance it. Chairman Arafat had also visited Japan in September at the invitation of the Government of Japan. Most recently, the Special Envoy of the Prime Minister of Japan had visited the region and met the leaders of Egypt, Israel and the Palestinian Authority.

25. His Government was gravely concerned at the recent confrontations between Israelis and Palestinians, which were jeopardizing the peace process. It was imperative that Israelis and Palestinians should reach an agreement as soon as possible on issues regarding Hebron, and continue negotiations on other outstanding issues, such as freedom of movement between the West Bank and Gaza Strip, the lifting of the closure of territories, and the resumption of talks for a final settlement. The decision to close the West Bank and Gaza Strip, which had been in effect for almost 10 months, had resulted in growing unemployment, caused great hardship to the Palestinian people and sharply reduced the revenues available to the Palestinian Authority. His delegation hoped that Israel would take measures to lift the closure of territories without further delay. Given the difficulties confronting the Palestinians, Japan had announced early in November its contribution, through UNRWA, of food aid worth approximately \$7.3 million.

26. At a time when the situation was so volatile, Japan believed that United Nations agencies had a crucial role to play in assisting the Palestinian people. It was necessary at the same time to foster economic and social development, which would encourage regional development and strengthen local autonomy. It was important to show people in the region the tangible results of the peace process on the ground. To that end, Japan was undertaking multifaceted cooperation efforts, including assistance for Palestinian refugees through UNRWA. Since its pledge of \$200 million for a period of two years in 1993, Japan had already disbursed approximately \$230 million, which made Japan the largest single donor country in terms of assistance to the Palestinians.

27. The financial deficit that the Agency was facing for the fourth consecutive year was another cause for concern. That problem had to be addressed with the greatest urgency, particularly since reduced assistance to Palestinian refugees could have grave implications for the ongoing peace process. While welcoming the Agency's efforts to reduce the deficit in its regular budget, his Government believed that it was necessary to eliminate the root causes of the problem by expanding its donor base and enhancing transparency in its regular budget. His delegation hoped that the measures that the Commissioner-General was currently undertaking to streamline management would prove to be an effective means of eliminating, or at least reducing, the deficit.

28. His delegation had on previous occasions called upon Member States both to simplify and reduce the number of resolutions relating to UNRWA, and he hoped that at the fifty-first session of the General Assembly it would be possible to merge similar resolutions into a single document.

29. Mr. HE Yafei (China) said that his delegation had noted with satisfaction the relocation of UNRWA headquarters from Vienna to Gaza, thus demonstrating the Agency's commitment to the cause of peace and development in Palestine and its confidence in the Palestinian Authority. The move would also promote the economic development of Gaza. Recent events in the region had complicated the refugee problem. At the current decisive phase of the peace process in the Middle East, the Agency's work was particularly important for the success of that process. China urged all interested parties to overcome existing obstacles and strengthen cooperation with UNRWA in the interests of the peace process.

30. His delegation was in favour of reforming UNRWA in the light of the new situation. The conference held in Amman between UNRWA and the principal donor countries reflected the Agency's desire to improve its consultative process and strengthen cooperation with interested countries, which deserved the international community's support and approval. For many years, China had supported the Agency's work and through it had provided assistance to the Palestinian people. China had decided to make a contribution to UNRWA in 1997. He hoped that, through the joint efforts of UNRWA and donor countries, the Agency would overcome its current financial difficulties.

31. Mr. ZAKI (Egypt) said that the peace process that had begun in the Middle East had raised hopes for a speedy final settlement of the Palestinian problem, including the issue of refugees. However, the policy being pursued by the current Israeli Government, which preferred words to practical actions, was jeopardizing the realization of those hopes.

32. UNRWA provided important assistance to the Palestinian people in all spheres, and the significance of its role had increased substantially in the current transitional period. In that connection, his delegation trusted that the transfer of the Agency's headquarters to Gaza would improve the effectiveness of its work. Referring to the report of the Commissioner-General of UNRWA, which mentioned the Agency's grave financial situation, his delegation warned the Committee of the impact that the continued failure to pay contributions would have on the Palestinian people, who currently found themselves in a difficult social, political and economic situation. Today as never before, the Palestinian people needed the help of the international community. His delegation noted with grave concern the frequent references in the Commissioner-General's report of the policy of isolation that Israel was pursuing in both the occupied and self-governing territories. That policy must be discontinued and the isolation regime should be unconditionally abolished in order to remove the serious psychological barrier that impeded political dialogue between the Palestinian Authority and the Israeli Government.

33. Egypt, whose contribution to the cause of peace in the Middle East was known to all, resolutely supported the role of UNRWA in providing assistance to the Palestinian people. Egypt had recently decided to double its voluntary annual contribution to the Agency's budget. His delegation called upon other

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States and donors to assist the Agency in order to enable it to carry out its tasks and enable the Palestinian people to exercise all its social, economic and political rights in accordance with the principles adopted at the Madrid Conference and the agreements between the Palestinian Authority and Israel.

34. Mr. ABDULAI (Ghana) said that, contrary to expectations, the mobilization of resources for UNRWA, which was supported mainly from voluntary contributions, had not been very successful. In 1970, as a result of the Agency's deteriorating financial situation, the General Assembly had established the Working Group on the Financing of UNRWA. As a member of the Working Group, Ghana was aware of the Agency's budget deficit, which had occurred despite the efforts of some donors and the tremendous efforts of the Agency's leadership.

35. Following the signing of the Declaration of Principles on Interim Self-Government Arrangements between the Israeli Government and the Palestinian Authority, the Peace Implementation Programme had been introduced. The Programme provided for a wide-ranging investment programme in the Agency's area of operation. His delegation hoped that the relocation of UNRWA headquarters to the area of operations would give it a better appreciation of the problems on the ground and help it pursue its mandate in a more cost-effective manner. Only additional and new resources could change the situation and enable the Agency to restore services that had been cut as a result of austerity measures.

36. Mr. AL-MUDIR (Libyan Arab Jamahiriya) noted the humanitarian efforts of UNRWA to improve the living conditions of Palestinian refugees, despite its financial difficulties and the measures being taken by Israel, which was not assisting the Agency in its activities or granting its staff full freedom to carry out its work. He emphasized the need for UNRWA to continue its humanitarian activities and for the international community to provide assistance in order to enable the Agency to prevent deterioration of the situation.

37. The return of the Palestinian refugees to their country was the most effective solution. That was the legal right of any person who had been unjustly expelled from his country. Such a solution was more reasonable than providing assistance to exiles, and it was particularly justified in the case of Palestinian refugees, whose sufferings were unequalled. The Libyan Arab Jamahiriya was in favour of putting an end to that tragedy, and fully shared the view that Palestinian refugees should be allowed to exercise their rights. He drew attention to paragraph 34 of the Commissioner-General's report, which stated that, in August 1995, the Government of the Libyan Arab Jamahiriya had decided that Palestinians should leave the country. His delegation wished to state that it had not been confirmed that the Libyan Arab Jamahiriya had wished to expel the Palestinians or force them to leave the country. His Government believed that refugees should return to their countries and that UNRWA should facilitate the return of the Palestinian refugees in accordance with the provisions of United Nations resolutions. With regard to the Palestinian refugees who were living in Lebanon and refused to return to the Libyan Arab Jamahiriya because they wished to return to Palestine, their homeland, the Libyan authorities were in favour of direct contacts with the Palestinian authorities and were attempting to convince Israel to allow those refugees to return to Palestine.

38. His delegation called upon the major Powers to stop providing military, financial and strategic support, as well as direct and indirect financing for the construction of new settlements, since that posed a threat to a just and lasting peace in the region. His delegation condemned Israel's decision to step up its efforts to establish settlements in Jerusalem, the West Bank and Gaza Strip, and other occupied Arab territories. A genuine peace could be achieved only through the establishment of a democratic State in Palestine, with its capital in Jerusalem, where Jews and Christians would enjoy equal rights. Only that would bring about a comprehensive settlement of the problem and put an end to the bloody conflict between Arabs and Jews.

39. Mr. AL-AWADHI (Yemen) urged the Committee to continue to make every effort to end the tragedy of the Palestinian refugees, and called on the international community to secure their return to their lands in occupied Palestine. His delegation commended the successful activities of UNRWA, particularly the progress achieved since the signing of the Declaration of Principles on Interim Self-Government Arrangements. It welcomed the relocation of UNRWA headquarters to its area of operation. At the same time, Yemen was concerned at the worsening situation in Palestine, which had led to an increase in the number of refugees. The Agency's financial situation was also a cause for serious concern, since it posed a threat to peace and the welfare of the refugees. His delegation emphasized the need for emergency measures to maintain the current level of financing for UNRWA activities.

40. All those who had been expelled from Palestine should be given an opportunity to return in accordance with the Declaration of Principles on Interim Self-Government Arrangements, signed on 13 September 1993 by the Israeli Government and the Palestine Liberation Organization. The final status negotiations with the Palestinian Authority should be resumed as soon as possible. Yemen called upon the international community to exert pressure on Israel to halt the construction of new settlements and to prevent its forcible annexation and confiscation of land.

41. Mr. AL-ATTAR (Syrian Arab Republic) commended the work of UNRWA in providing essential services to the Palestinian refugees, alleviating their sufferings and improving their socio-economic situation. Noting the arduous and difficult conditions in which UNRWA carried out its work to assist Palestinian refugees, he said that, at the regional level, Israel was continuing its occupation and escalating its acts of aggression against the Palestinians, and that it had imposed an economic embargo and a curfew, and had destroyed homes and closed schools. At the international level, donor Governments had not made their contributions to UNRWA activities, and the new Israeli Government had announced that it was repudiating all the principles of the peace process.

42. In his report, the Commissioner-General had focused attention on the Agency's financial crisis and serious budget deficit, which had adverse consequences for Palestinian refugees and the services that the Agency provided to them. The Commissioner-General had announced that those services would be limited or discontinued if the deficit was not reduced through increased contributions from donor Governments. A substantial decrease in services would be considered as a gradual curtailment of the Agency's activities until the refugee problem was resolved and as a repudiation by the international community

of its obligations to the Palestinian refugee community. The international community should not think that UNRWA headquarters had been relocated from Vienna to Gaza in order to exclude the Agency from the consideration of the issue of Palestinian refugees until a final settlement of that issue. The peace-building process, whose purpose was to help Palestinian refugees achieve self-sufficiency, should not be seen as an alternative to a settlement of the Palestinian refugee issue on the basis of the relevant United Nations resolutions.

43. His delegation opposed the recent UNRWA decision to discontinue the distribution of food rations and to replace them with cash payments. That measure represented nothing less than the first stage of a gradual reduction of the Agency's services. In 1995, the Agency had taken a number of new economy measures with a view to reducing the financial deficit. Those measures had had a negative impact on the services provided by the Agency, and they would lower the quality of such services rather than strengthen and develop the Agency's activities in that area. As a result, the minimum basic needs of the Palestinian refugees would not be met. The financial crisis must be dealt with by appealing to States to pay or increase their contributions and, at the same time, by seeking new sources of financing.

44. Mr. NGO QUANG XUAN (Viet Nam) noted the UNRWA programmes to support the Middle East peace process and improve socio-economic conditions, including the provision of services to 3.3 million Palestinian refugees. He noted with satisfaction the relocation of UNRWA headquarters to its area of operations, which demonstrated the commitment of the United Nations to establishing peace in the Middle East. His delegation commended the work of UNRWA, particularly its provision of education and health services to Palestinian refugees living in Jordan, Lebanon and the Syrian Arab Republic.

45. The issue of Palestinian refugees could only be solved when its root cause was dealt with once and for all. Viet Nam was seriously concerned at the slow pace of the peace process and the failure to achieve a just, lasting and comprehensive peace in the region. A political solution alone could not put an end to the refugee problem; it must go hand in hand with sustainable socio-economic development. In that connection, his delegation emphasized the need for the full implementation of the Interim Agreement on the West Bank and Gaza Strip and of the Declaration of Principles on Interim Self-Government Arrangements. Viet Nam also welcomed the resumption of negotiations between the Palestine Liberation Organization and Israel, and hoped that it would provide an opportunity for a lasting solution to the Arab-Israeli conflict. Although many difficulties remained, if all concerned parties demonstrated their full commitment to the implementation of the agreements already signed, the peace process would certainly continue. His delegation reiterated its strong support for that process and its determination to spare no efforts to promote the exercise of the inalienable rights of the Palestinian people, including the right to self-determination and statehood.

46. Ms. RUBINSTEIN (Israel) said that the year that had passed since the previous session of the General Assembly had been a momentous one for Israel and the entire Middle East. Throughout the year, the enemies of peace had attempted time and again to destroy the foundations of peace, which her country had been

building for the better part of the decade. Earlier in the year, Israel had been rocked by a spate of Islamic fundamentalist suicide bombings. In May, Mr. Netanyahu had been elected Prime Minister and had time and again reaffirmed his commitment to continuing the pursuit of peace with Israel's neighbours. Yet, from its first day, the new Government had been prejudged as being against the peace process. Instead of giving the Government an opportunity to prove its commitment to peace and find its own way to proceed, Israel had met with attempts to pressure it into making decisions through the use of threats and violence.

47. Israel was currently taking extensive measures to ease the effects of the closures that had been imposed on Palestinian residents following the series of suicide bombings - in recent weeks, the number of Palestinian workers allowed into Israel had increased to 50,000 per day, 28,000 from the West Bank and 22,000 from the Gaza Strip. Israel was well aware of the economic hardships caused by the closures for the Palestinian people and it should be stressed that that measure had not been taken as a form of collective punishment of the Palestinian people. Rather, it had been aimed at preventing further terrorist attacks originating in the autonomous areas and to provide Israelis with a greater level of security.

48. Mr. AL-ATTAR (Syrian Arab Republic), speaking on a point of order, said that the Committee was discussing the report of UNRWA and the question of the Palestine refugees and requested the speaker not to depart from the meeting's agenda.

49. Ms. RUBINSTEIN (Israel) said that for its part, Israel would spare no effort to strengthen the Palestinians' economic infrastructure and believed that economic prosperity was a pre-condition for the success of the peace process. Israel was proud of its good working relations with the Agency. Joint efforts in such fields as health, education and culture served as positive examples of their cooperation. However, she expressed displeasure at the fact that the Committee was being used as a political tool. It was beyond her understanding why the United Nations, instead of adopting a consensus resolution praising the Agency's important humanitarian work, felt compelled to adopt six resolutions with strong political connotations irrelevant to the work of UNRWA. Such resolutions caused nothing but disagreement among Member States and offered nothing constructive to resolve the issue. In that connection, Israel believed that the number of resolutions on UNRWA should be reduced to one, directly related to the Agency's humanitarian tasks.

50. Mr. HOLTER (Norway) underscored the importance that his Government attached to the invaluable role played by UNRWA over a number of years in providing much-needed assistance to the Palestine refugees. Its strong commitment to the Agency had been reflected by the fact that Norway remained one of the major contributors to UNRWA. His Government, however, was concerned about the Agency's financial difficulties and their detrimental effects on the services provided to Palestine refugees in Lebanon, the Syrian Arab Republic, Jordan, the West Bank and the Gaza Strip. Solutions to that crisis must be found both outside and inside the Agency. It was clear that the current group of major donors could not on their own solve the Agency's financial problems. The possibilities of expanding the donor base must be explored, if possible in

cooperation with the host Governments. In particular, he appealed to the oil-rich Gulf States to increase their contributions to UNRWA.

51. Measures which UNRWA could implement within its own organization were also of great importance. A thorough management review was essential and zero-based budgeting was an avenue that should be explored. The Commissioner-General, Mr. Hansen, was increasing contacts between UNRWA and donors and had stepped up the dialogue on how to solve the Agency's problems. The special meeting in Amman on 23 September 1996 had set the process on the right track. There were high expectations with regard to the follow-up meeting to be held on 11 December. The peace process in the Middle East could succeed only if it improved the everyday life of the people. Continued support by the international community must be accompanied by substantial economic assistance, in particular, to the Palestinian people. UNRWA had a vital role in that context and it was the responsibility of the international community to enable the Agency to play it.

52. Mr. CHOWDHURY (Bangladesh) said that his country welcomed the report of the Commissioner-General of UNRWA, which provided a comprehensive profile of the Agency's activities in the past year. As indicated in the report, UNRWA, in recent years, had expanded its work beyond basic humanitarian assistance. It had extended useful support to the Middle East peace process and intensified its efforts to improve the socio-economic conditions of the Palestine refugees. UNRWA had provided crucial support for the holding of elections in the Palestinian self-rule areas and had made a definite contribution to deepening the partnership between the Agency and the Palestinian Authority and the Palestinian people. The transfer of the Agency's headquarters to the Gaza Strip should help further improve the effectiveness and efficiency of its diversified operations.

53. In that context, he noted with appreciation the efforts by the Agency to empower the displaced Palestinian population through the establishment of a micro-enterprise credit programme. Bangladesh was a leading advocate of expanding micro-credit facilities for the less advantaged sectors of society in order to address the special economic and social needs of the poor. His country would be happy to share its experience in that field with the Palestinians and welcomed the initiative taken by the Commissioner-General to carry out a major management review in order to streamline and intensify the process of institutional reform aimed at making the Agency more effective and responsive to the needs of the refugees in the context of the evolving situation in the Middle East.

54. It was disquieting to note that the financial situation of the Agency continued to deteriorate owing to a lack of support from the donors. That had affected the Agency's functioning in some important social sectors. Bangladesh urged the donors to be more responsive to the needs of the Agency and pay pledged contributions on time. The constraints imposed by Israel in the name of security procedures had also hampered the Agency's operations in recent months. The so-called security needs of a particular country should not in any way compromise efforts to meet the requirements of the refugee population.

55. Bangladesh believed that UNRWA had a useful role to play in promoting the welfare of the Palestinian people. That role assumed special significance during the transition period towards the establishment of Palestinian self-rule and eventual statehood. He fully supported the Agency's operations and agreed with the observation made by the Commissioner-General that any substantive reduction in Agency services would have damaging consequences for the Palestine refugee population and would not serve the collective interests of the parties in the region. Full and honest implementation of the peace agreements by all parties, particularly Israel, could create an environment for solving the problems in the Middle East, including the difficulties of the displaced Palestinian people.

56. Mr. AL-OMRAN (United Arab Emirates) said that for 46 years the Agency had been providing assistance and humanitarian services to more than 3 million refugees, who continued to live under occupation and in exile, experiencing want and deprivation. UNRWA continued to improve its action plans and enhance the quality of its economic services and various programmes aimed at bettering the living conditions of the Palestine refugees and providing employment. Under the pretext of ensuring security, the Israeli authorities were impeding those activities, particularly through the closures of the territories, which worsened the situation of the Palestine refugees.

57. He noted with satisfaction the work by the Agency, particularly that carried out in coordination with the Palestinian Authority, to strengthen Palestinian structures and create jobs, build schools and vocational training centres, improve housing conditions and construct water supply and sewage systems. The Agency's chronic budget deficit, which affected the quality of services not only in the self-rule areas, but also in the Syrian Arab Republic and Lebanon, was cause for concern. In that connection, the United Arab Emirates called upon the international community to make contributions to cover the deficit in order to enable UNRWA to carry out its work properly and ensure a dignified life for the refugees until the problem was definitively solved. The refugee problem, which had been on the international community's agenda for more than half a century, might not exist were it not for the Israeli occupation and the settlement of Palestinian lands by settlers from all over the world. Granting the refugees the unconditional right to return home and the right to compensation for those who did not wish to return to their homeland would constitute a just and lasting solution of the problem. That was a question which the Israeli side continued to ignore and avoided discussing in negotiations, although the timetable for such negotiations had been provided under the Israeli-Palestinian agreement. He hoped that the international community would carry out its obligations and influence Israel in order to solve the refugee problem in accordance with international law.

58. Mr. KEENE (United States of America) expressed appreciation to the Commissioner-General of UNRWA for the invaluable role played in assisting Palestine refugees at a difficult and critical time and noted that there had been progress towards closer cooperation between the Agency and the major donors on budgetary issues. While UNRWA had sufficient funds to cover its activities through the year, its finances continued to need support. The international community should extend its full assistance and cooperation to the Agency to enable it to carry out its mandate successfully.

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59. Most of the resolutions adopted under that agenda item were not as supportive of the peace process and the Agency as they should be. The time had come to redouble efforts to create the conditions for just and lasting peace in the region. The Agency's work was a key element in maintaining an environment conducive to forward movement in the peace process. That process would bring closer the day when the people of the Middle East, including those who depended on UNRWA, could live secure, peaceful and normal lives. In considering the texts of resolutions and deciding on their positions, the members of the Committee should ask themselves whether they wanted positive, forward-looking support for progress towards comprehensive and lasting peace or whether, looking backward, they wanted to try to apportion blame in a way that could only complicate negotiations between the parties.

60. Mr. HOLOHAN (Ireland), speaking on behalf of the European Union, said that for many years, UNRWA had undertaken the difficult task of assisting Palestine refugees. The Agency supplied not only sustenance and the essentials of life, but also, particularly in recent years, equipped and managed a significant proportion of the physical infrastructure in such fields as housing, schooling, health and vocational training. Without UNRWA, the social and political consequences of the refugee problem created by the conflict in the area would be considerably more intractable.

61. The European Union was deeply committed to the peace process in the Middle East. It called for the resumption of negotiations on the basis of the principles already accepted by both sides under the Madrid and Oslo agreements. The Union was encouraged by the decision adopted at the recent Washington summit to resume negotiations at Erez. The heads of Government of the member States of the European Union, meeting in Dublin on 5 October, had reiterated their concern over events in the occupied territories and reaffirmed their willingness to play an active part in efforts to recommence negotiations. They had dispatched Ireland's Minister for Foreign Affairs on a mission to Israel and the Gaza Strip in order to convey the Union's support for the urgent revitalization of the peace process. On 28 October, the Council of Ministers, meeting in Luxembourg, had appointed Ambassador Moratinos as the European Union's envoy to the peace process. Three Ministers for Foreign Affairs of the European Union had travelled to Damascus, Amman, Gaza and Cairo from 9 to 11 November for discussions with regional leaders.

62. The adverse political climate, which had led to unrest among the Palestinian people, further complicated the conditions under which UNRWA had to operate. The Agency, however, was continuing its important work and carried out various programmes in the fields of health, education and social assistance for the refugees. The European Union was also pleased to note that the process of relocating UNRWA operations from Vienna, in implementation of General Assembly resolution 49/35 A and the decision by the Secretary-General, had been completed. That measure should not impinge upon the effectiveness of the Agency's operations or the assistance provided to the Palestine refugees throughout the region. The relocation of the Agency's base of operations to the region constituted in itself a positive and tangible demonstration of faith in the peace process. In that connection, he welcomed the report of the Commissioner-General of UNRWA and looked forward to increased transparency and accountability on the part of the Agency.

63. The European Union noted the serious difficulties which the Agency faced and were described in detail in the report of the Commissioner-General. It was obvious that that could only lead to a deterioration in the quality of services provided by UNRWA and, consequently, a worsening in the living conditions of the refugees. Furthermore, that trend might have an adverse effect on the peace process as a whole. The international community risked giving the impression that its concern for the situation of the refugees had diminished if it failed to provide adequate funding for continued operations at an appropriate level. The European Union and its member States had been the main contributors to the Agency in recent years and urged all other States, especially the wealthier States in the region, to increase their contributions to meet the growing needs of UNRWA.

64. Earlier in 1996, the Council of the European Union had approved the ninth convention between the European Community and UNRWA concerning aid for refugees in the countries of the Near East. The convention covered the three years from 1996 to 1998 and committed the Community to paying the Agency a total of approximately \$130 million over that period. The Union as a whole, counting both member States' bilateral contributions as well as the Community contribution, was the largest donor, accounting for 43 per cent of total contributions in 1995. It was unfortunate that, despite the best efforts by the Commissioner-General to effect savings where possible, UNRWA had found itself in serious financial difficulty earlier in the year. An extraordinary meeting of major donors had had to be convened in Amman in September. The European Union accordingly hoped that the pledges to be made in 1996 would be sufficient to meet the full needs of the coming 1997 budget.

65. In 1995 the General Assembly had extended the mandate of UNRWA to 1999. Few would have predicted when the Agency was first established that it would remain in existence for fifty years. Nevertheless, as the Agency's fiftieth anniversary approached, it should be recalled that UNRWA had been established to provide assistance of a temporary nature and that the Agency was not intended to be a substitute for a political solution to the refugee problem. The European Union hoped that that political solution would be reached as part of a comprehensive, just and lasting solution so that the Agency could conclude its mandate and transfer its functions to the Palestinian Authority. Meanwhile UNRWA must be provided with all the necessary resources to carry out its functions until a lasting solution was found to the political problems which had led to the presence of Palestinian refugees in the Near East.

66. Mr. KHAN (Secretary of the Committee) said that, in accordance with established practice, the list of speakers was drawn up on the basis of written requests or personal requests by delegations.

67. Mr. THÉVOZ (Observer for Switzerland) said that the political prospects in the Middle East were not encouraging. The gap between the current reality and the hopes of reconciliation, peace and prosperity engendered by the 1993 peace process was unfortunately widening. The living conditions of the Palestinian people in Gaza and on the West Bank were continuing to deteriorate. In those circumstances UNRWA was forced to perform new tasks which had been entrusted to it after the beginning of the peace process, in particular to meet the growing humanitarian needs, ensure the necessary level of services to the Palestinian

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population, sometimes in extremely difficult circumstances, facilitate the advancement of the peace process with the help of investment and job creation projects, help establish Palestinian State bodies in the autonomous areas and meet the growing needs despite a reduction in budgetary resources.

68. Mr. Hansen, the UNRWA Commissioner-General, had taken steps to improve the Agency's system of management and had enabled donors to take an active part in the decision-making process. However, the decision-making process was still fragmented and was carried out in the Advisory Commission, the Working Group on the Financing of UNRWA and at annual informal meetings of donors. The donors' meetings, instead of being forums for considering the directions of the Agency's work, often took up minor budgetary or political issues. For that reason, his delegation supported the efforts of UNRWA to establish a more effective mechanism for decision-making on the basis of modern management standards and methods, providing for more active participation by donors. The Office of the United Nations High Commissioner for Refugees and the World Food Programme were good examples in that respect. Following the example of those bodies, UNRWA could work out its own methods of operational and budgetary planning, monitoring and evaluation of results. Those methods would be a basis for carrying out an open, in-depth and constructive discussion of the objectives, possibilities and priorities of the operational activity of UNRWA. Since UNRWA was an organization on which the lives of thousands of Palestinian refugees depended, it should do everything possible to improve its work. Switzerland, for its part, intended to provide full support to UNRWA in the operational sphere, and also in the sphere of structural reform.

69. Archbishop MARTINO (Observer for the Holy See) said that his delegation was concerned about the deterioration of the political will for bringing peace to the Israeli and Palestinian peoples. Violence and the breakdown of dialogue prevented the successful resolution of the differences between those two peoples. The situation following the closure of the West Bank had contributed to massive unemployment among the Palestinians, undermined the educational process in schools and adversely affected health care because of lack of access to health care facilities and to emergency care. In a similar manner, that situation also affected freedom of worship. Although religious shrines in Jerusalem were open to pilgrims, local Palestinians were unable to attend religious services in the Holy City of Jerusalem.

70. The Roman Catholic patriarch of Jerusalem, speaking of the status of Jerusalem, had said that the negotiators must meet to talk and to resolve the question of Jerusalem, despite all its difficulties. At the same time, he had reiterated that Jerusalem would always be a city belonging to two peoples and three religions - Judaism, Christianity and Islam. In other words, no unilateral claim made in the name of one or other of those religions, or by reason of historical precedence or numerical preponderance, was acceptable. It was clear that in that complex matter the negotiators for the Israelis and Palestinians would need to exercise great care in pursuing just solutions to the issues relating to the special status needed for the city of Jerusalem. It was also necessary to consider the question of Israeli settlements in the West Bank and Gaza Strip. The confiscation of land in the name of security could become an invitation to injustice, violating the rights of the Palestinians living on the land.

71. His delegation commended the efforts of the negotiators to get the peace process back on track. Only peace would bring security to both peoples, and that peace must be based upon justice and respect for all human rights, especially freedom of worship. The Holy See emphasized the need for intense and continued negotiations to bring about peace with justice and condemned gestures of provocation and resort to violence and terrorism.

72. The Holy See, working through the Pontifical Mission for Palestine, had assisted the Palestinian refugees of the region since 1949, often in close collaboration with UNRWA. Generous donor agencies such as the archdiocese of Cologne, Caritas Internationalis, the Catholic Near East Welfare Association, Kinderhilfe Bethlehem, Misereor and Missio were providing funds to feed, house, educate and give medical assistance to those in need. Their experience in dealing with the refugee population convinced the Holy See that all negotiations would be in vain if adequate funds were not made available to the Palestinian communities in Gaza and the West Bank. The international community must fulfil its financial commitments to the Palestinians so that gainful employment would be made available to the inhabitants of Gaza and the West Bank. That was one way of guaranteeing Israel's security. It was evident that a rapid, concrete realization of the provisions of the agreements would facilitate the peace process. On the other hand, continuous and increasing difficulties would only play into the hands of those who opposed the peace process. The international community could play a major role in the pursuit of peace in the Near East by ending concrete support to its realization.

The meeting rose at 1.15 p.m.